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DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

Top Secret

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5 August 1967

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Central Intelligence Bulletin

CONTENTS

Vietnam: Situation Report. (Page 1)

<u>USSR</u>: The Soviets are again trying to drum up a conference of Communist parties. (Page 2)

Panama: Opposition to the draft canal treaties has developed in the national security force. (Page 4)

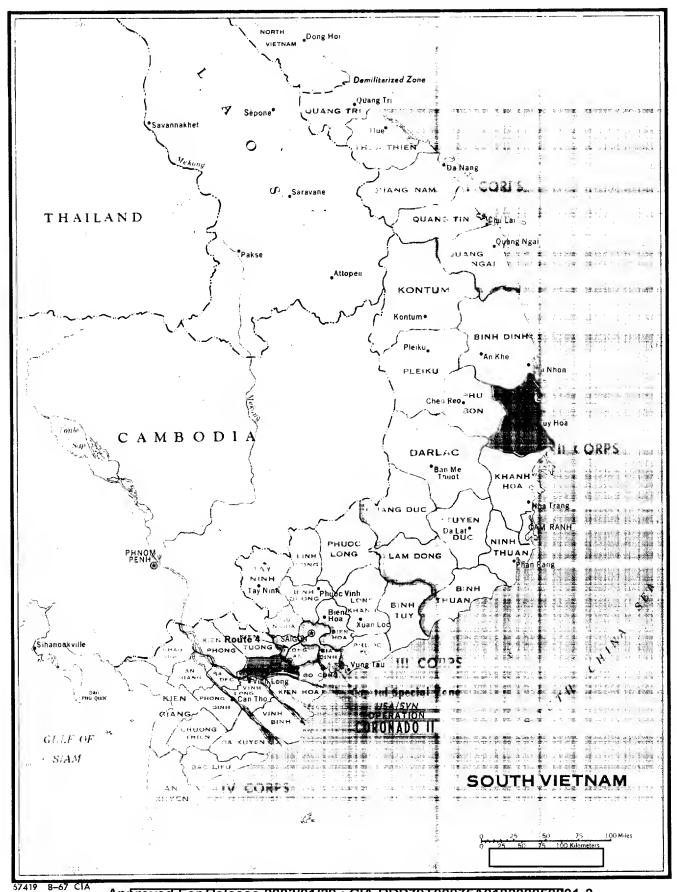
<u>Dominican Republic</u>: Juan Bosch's resignation is unlikely to disrupt his party. (Page 5)

France: De Gaulle is said to have ordered development of ICBMs to begin. (Page 6)

25X1

USSR-Egypt: Wheat deliveries. (Page 7)

<u>Israel-Jordan:</u> Firing incident. (Page 8)



Approved For Release 2003/01/29: CIA-RDP79T00975A010200050001-2
5 Aug 67 CENTRAL INTELLIGENCE BULLETIN Map

25X1

25X1

*Vietnam: (Information as of 4:30 AM EDT)

Recently concluded allied operations in Dinh Tuong Province have dealt the Communists a heavy blow in the Mekong Delta.

A total of 238 Communist soldiers were killed during Operation CORONADO II, which ended on 3 August. It was designed to prevent Viet Cong interference with the main highway between Saigon and the delta. Among the Communist casualties were the commander of the 263rd Viet Cong Battalion, reportedly killed on 3 August, and his deputy, who is among the 649 Viet Cong suspects detained during the sweep. Allied losses totaled 55 killed (ten US) and 165 wounded (33 US).

This operation, along with its predecessor CORONADO I, which resulted in 500 Communists killed in an eight-week period, will inhibit the enemy units involved and may reduce the over-all capability of the Communists in the delta, at least for the time being.

Communist forces in II Corps are apparently expe-

	riencing difficulties which have prevented them from carrying out their planned summer offensive.
_	the Communists have been steadily los-
	ing control of rice-producing areas along the coast. Allied military pressure in the coastal area has prevented the Communists from launching large unit actions thus far. The Communists have had to fall back on guerrilla and terrorist tactics.
	In addition, captured notebooks belonging to personnel of the 95th North Vietnamese Army Regiment in Phu Yen Province indicate that coordination between Communist units in the province had broken down and that one main

5 Aug 67

25X1

25X1

1

force unit was afraid to engage South Korean forces.

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USSR: The Soviets are citing the 'particularly grave' international situation in an effort to get support for a large-scale conference of Communist parties.

Boris Ponomarev, who is in charge of the CPSU's relations with foreign parties, was in Rome 24-26 July.

25X1

Ponomarev said that Moscow does not envision attendance by all the world's parties, indicating that it does not expect such perennial holdouts as China, North Vietnam, Rumania, and Yugoslavia to relent. Italian Communist leader Luigi Longo was asked to take part in a "consultative" meeting to set up a "preparatory" conference for September. Longo demurred, suggesting more bilateral conferences in November.

Ponomarev's approach to the Italians coincides with recent efforts by the CPSU to use the Middle East crisis to put new emphasis on party consultations, as shown by the meetings in Moscow and Budapest. Ponomarev's efforts with the Italian party, which has been relatively cool to the idea of a conference, may be aimed at retesting the receptivity of bellwether parties in light of developments in the Middle East and the approach of the Soviet 50th anniversary. If parties like the Italian can be brought around, the Soviets may press openly for a conclave. Ponomarev also traveled from Rome to Paris, where he presumably presented his case to the French Communist party.

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The Soviet official laid heavy stress on the Communist world's need for peace, saying that commitments such as those in Vietnam and the Middle East are bleeding Communist economies white. He said that the Chinese line still prevails in Hanoi and that a US initiative—such as ending the bombing—is necessary before negotiations can begin.

Ponomarev had unkind words for China, the Cubans, and such ''irrational' Arabs as the Algerians for their pursuit of violent revolution. He blamed US intransigence for frustrating Soviet efforts toward peace, but said the USSR is ''always ready' to find compromises with the US, bearing in mind Soviet prestige in the world and the Communist movement.

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Panama: Opposition to the draft canal treaties has reportedly spread to the usually apolitical National Guard.

A group of key officers, led by the ambitious Colonel Omar Torrijos, claims that the treaties are so unpopular that they can be ratified only if the Guard "fires on the people to maintain order." Some also oppose what they see as the Guard's minor role under the provisions of the defense treaty. As yet there is no evidence that Guard Commandant General Vallarino has joined the opposition, but if it grows to significant proportions he might use it to further his own presidential ambitions.

Progovernment party leaders and deputies are also expressing keen dissatisfaction with the treaties. Charges that some articles of the canal agreements are unconstitutional have been raised by the Foreign Relations Council, whose suggested revisions seem tantamount to a call for renegotiation.

25X1

25X1

5 Aug 67

4

<u>Dominican Republic:</u> Juan Bosch's resignation as senior adviser to the main opposition party is not likely to disturb the relative political tranquillity that has prevailed since mid-May.

Bosch, who is now in self-imposed exile in Europe, had already resigned as head of the Dominican Revolutionary Party (PRD) last October. Although he gave no reason for his latest action, it probably stemmed from acting secretary general Mainardi's recent criticism of the Bosch performance during the 1966 election campaign. Bosch was also in disagreement with the more moderate line the PRD has adopted under Mainardi.

In addition, Jottin Cury, PRD leftist firebrand, has announced his resignation as leader of the party's congressional bloc. The actions of Bosch and Cury seem designed to attract rank-and-file support for a more militant party line, and also to force the ouster of Mainardi, a long-time Bosch opponent. In any case, they are likely to widen the split between party moderates and radicals which has plagued the PRD since its defeat in the June 1966 elections.

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France: De Gaulle reportedly is laying the ground work for the development of an ICBM.

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The French have been developing rocket motors large enough to be used as ICBM boosters and would encounter no major technical difficulties in moving into an ICBM development program. A number of scientists and technicians will be free to undertake developmental work on an ICBM as work on the current IRBM program approaches completion.

An ICBM program would strain the military budget, however. De Gaulle's growing force de dissuasion being deployed against the USSR has already reduced the funds available to France's conventional forces. De Gaulle views the ICBM as a follow-on to the strategic weapons systems now being developed, deployment of which will not be completed until the mid-1970s.

General Pierre Gallois, a prominent nuclear strategy theorist close to De Gaulle, long has expressed the view that any country seeking full independence must possess the means to discourage a threat from any part of the world. Support for this view elsewhere in the government and among the public probably is far from unanimous.

25X1

5 Aug 67

6

NOTES

USSR-Egypt: Moscow will provide Egypt with 350,000 tons of wheat over the next six months. It has already shipped almost 600,000 tons from 650,000 promised earlier this year. With the new commitment, it will be providing almost half Cairo's annual import requirements. The USSR's stocks are apparently adequate; in recent annual negotiations with Canada, it took less than the three million tons specified in the 1966-68 contract.

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5 Aug 67

7

Israel-Jordan: Israeli and Jordanian soldiers yesterday exchanged fire in the Damiya Bridge area for the fourth successive day. While it is not known who initiated the incidents—in which there have been no fatalities—Arab smugglers operating into Israelioccupied territory may have drawn Israeli fire. Although the Israelis have threatened "strong action" if the incidents continue, major retaliation by the Israelis seems unlikely at this time.

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NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board on 3 August 1967 approved the following national intelligence estimate:

SNIE 31/32-67, "The Indo-Pakistani Arms Race and Its Economic Implications,"

25X1

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